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SUBJECT: THE CITIZEN COUNCILS' GROWING SHADOW

REF: A. MANAGUA 1783  
[1](#)B. MANAGUA 2207

Classified By: Ambassador Paul Trivelli for reasons 1.4(b,d)

[1](#)1. (C) SUMMARY: President Ortega's Citizen Power Councils (CPC) continue to penetrate Nicaraguan society, increasing fear among civil society leaders. Over the past month, cases have been reported in which the CPCs have incited civil unrest, demanded CPC membership in exchange for emergency aid, and toppled legally elected community representatives. Police Commissioner Aminta Granera publicly acknowledged that the 2008/9 police strategy will incorporate the CPCs into their citizen education efforts and the Minister of Government confirmed that the Ministry is training the CPCs. Ortega continues to implement his Zero Hunger program through the CPCs, which incurred USD 1.7 million in questionable administrative expenses in 2007. While opposition legislative forces do have sufficient votes to overturn Ortega's veto of legislation forbidding the creation of the CPCs, there are serious questions about their capacity to align the necessary votes, especially in the face of overt threats from the Sandinista National Liberation Front's (FSLN) caucus chief. For Ortega, maintaining the legal basis for the CPCs is essential to facilitate his future political aspirations, as it allows him to expand and strengthen a centrally run patronage state at the expense of locally elected authorities. END SUMMARY.

Ortega's Octopus - The Growing Reach of the CPCs  
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[1](#)2. (U) Since President Daniel Ortega's late-September veto of legislation designed to curb the CPCs' legal power (ref B), their reach and influence have grown dramatically. The following is a brief summary of some CPC "services" rendered since the beginning of October:

- Civic Action: On November 6, residents in two of Managua's poorer neighborhoods took to the streets and burned tires in protest against Union Fenosa, the Spanish electricity distributor. Press reports allege that CPC members organized and participated in the activities. Three weeks earlier, during a march against Fenosa in the northern town of Jalapa, CPC representatives threatened to organize "block-by-block, neighborhoods, and communities" against Union Fenosa in a protest over price increases.

- Job Placement: A number of organized labor contacts in the health and education sectors have complained that CPC representatives are targeting non-Sandinista labor union leaders and members to be fired and replaced by CPC-approved

teachers, doctors, etc. In addition, CPC representatives exert growing influence over the hiring decisions in schools, clinics and hospitals, ministries, and other public institutions, creating fear and uncertainty among non-Sandinista employees.

- Community Involvement: In the northern department of Esteli, the coordinator of the legally-mandated Departmental Development Council (DDC) alleged that CPC members pressured and forced the resignation of most DDC members and, in a surprise meeting on September 24, the new DDC members deposed him six months before the end of his term.

- Humanitarian Assistance: Although they have no legal basis to perform State responsibilities, First Lady Rosario Murillo has dispatched the CPCs to participate in a month-long campaign to clean up the country and educate the population, in coordination with the Ministry of Health, about dengue and the recent outbreak of leptospirosis that has swept across the northern departments in recent weeks. In the North Atlantic Autonomous Region's (RAAN) "mining triangle," citizens affected by Hurricane Felix alleged that the CPCs were demanding "loyalty" to the CPCs in exchange for relief assistance. In the aftermath of the flooding and mass displacement in several northern departments caused by heavy rains, there were similar allegations of coercion.

#### CPCs - Counterweight to American "Imperialism"

13. (U) During a November 8 public event, Ortega declared that "if the Nicaraguan right has its movements financed by the North American taxpayers, being the spokespeople for imperialism, then the FSLN has every right to organize the CPCs." He went on to say that "We would be stupid to believe the CPCs aren't important; to accept that the CPCs don't matter is to accept that the people don't matter."

#### CPC as Civilian Police Force?

14. (U) In a November 2 meeting that included CPC leaders, senior police officials, and Ortega/Murillo to discuss the relationship between the police (NNP) and the CPCs, Police Commissioner Aminta Granera announced that she had held a long meeting with Murillo two days earlier to discuss "the best way" for the NNP and CPCs to work together. In her November 2 comments, Granera emphasized that the CPCs would play an important role in the strategic evolution from "National Security" to "Citizen Security," which she characterized as a "return to the origins of this police (force)." (NOTE: Both the military and the police were created by the Sandinistas in the late 1970s to replace Somoza's National Guard structure. END NOTE)

15. (U) Although Granera did not outline a specific strategy, she mentioned the 15,000-member community Crime Prevention Committees as a possible mechanism to involve CPC stalwarts. She reported that some Crime Prevention Committee members are also CPC members. Further, Granera remarked that community-level police action plans would be coordinated with the CPC cabinets' security representatives to ensure "perfect agreement."

#### CPCs Receive Government Support

16. (U) In spite of the dubious legal status of the CPCs, President Ortega is implementing his "Zero Hunger" program (ref A) through the CPC network, using the councils to find and evaluate appropriate families and distribute the "packets" of supplies. Ortega and the CPCs recently came under fire, however, when opposition deputies in the National Assembly revealed that the program had incurred 32 million Cordobas (USD 1.7 million) in operating expenses during 2007 despite the fact that all CPC members work as volunteers.

17. (U) In late October, a number of civil society

organizations asked the Comptroller's office to investigate the Ministry of Government (MIGOB) for allegedly providing weekend training and capacity building to the CPCs. MIGOB Minister Ana Morales defended the twice-monthly sessions as an obligation to inform the people, stating that we "don't incur a single expense, (aside from) our time on a Sunday."

#### Formation of CPC National Cabinet on the Horizon - - - - -

¶8. (U) During the November 2 meeting with Granera and CPC representatives, Murillo proclaimed that the CPC "National Cabinet" would be installed before the end of November, marking the nationwide completion of the CPC structure. Originally slated for September 14, the ceremony was purportedly delayed due to the Hurricane Felix crisis. According to earlier estimates, the CPC structure will encompass over 900,000 members at the neighborhood, municipal, departmental, and national levels. (NOTE: A variety of Managua sources have reported that the CPC structure in Managua is functionally well. Neighborhood and district CPCs are reportedly holding regular weekly meetings, facilitating a smooth flow of information both vertically and horizontally within the structure. END NOTE.)

#### Overriding Ortega's Veto - Risky Business - - - - -

¶9. (C) Although announced in late September, the National Assembly Justice Commission did not receive Ortega's official Presidential Veto until early October, according to Jose Pallais, Liberal Constitutional Party (PLC) deputy and President of the Justice Commission. In public statements, Pallais gave assurances that the PLC, Nicaraguan Liberal Alliance (ALN), and Sandinista Renovation Movement (MRS) would unite and use their combined 49 votes to overturn Ortega's veto. In private, however, Pallais questioned the legislative experience and administrative capacity of the three opposition parties to quickly pull together their 49 votes against the maneuverings of the much more experienced FSLN. Pallais further revealed that Edwin Castro, head of the FSLN caucus, had threatened him and other opposition deputies if they "dared" to call a vote, stating that there could be "car accidents" and "sudden sicknesses" on the day of the vote. Ortega has made it abundantly clear that the CPCs will be empowered -- with or without the National Assembly's blessing.

#### Comment - - - - -

¶10. (C) For Ortega, Murillo, and the FSLN, establishing a legal basis for the CPCs is essential to facilitate their future political aspirations. With a legally-mandated CPC structure in place, Ortega will be that much freer to channel his Venezuelan petro-dollar-funded programs and projects through the CPCs, enabling him to spread and fortify his power base by buying and rewarding loyalty while isolating and choking political, civil society, and labor opposition. If National Assembly opposition forces fail to override Ortega's veto, USG funding for democracy building and civil society strengthening programs will become even more critical as a democratic counterweight.  
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